

## **DELAWARE HEALTH FACILITIES AUTHORITY**

### **Minutes of Annual Meeting**

of

**December 17, 2015**

The Annual Meeting of the Delaware Health Facilities Authority (the "Authority") was held after proper notice at 12:15 p.m., December 17, 2015, in the offices of Potter Anderson & Corroon LLP at 1313 N. Market Street, Wilmington, Delaware.

In attendance were Authority Members:

Rolf F. Eriksen (Chair)  
Desmond A. Baker  
George W. Forbes, III  
Lisa More  
Howard A. Palley, Ph.D.  
William J. Riddle

Also in attendance was:

John J. Quinn, III, Esquire, Counsel to the Authority

There were no members of the public in attendance.

All documents referred to in these Minutes and not appended hereto are filed in the official records of the Authority. Copies are available upon request.

Chairman, Rolf F. Eriksen, opened the meeting at 12:41 p.m. and thanked everyone for coming to the meeting.

### **2015 Annual Meeting of Delaware Health Facilities Authority**

#### **Minutes from Authority Annual Meeting on December 19, 2014**

The Members discussed the Minutes of the Authority Meeting held on December 19, 2014 (the "Annual Meeting Minutes"). Brief commentary and discussion revealed that there were no hospital bond deals anticipated in the near future and that the State of Delaware was giving some consideration to imposing a tax on certain hospital activities. After Member review and discussion, Mr. Eriksen asked if there were any changes to be made to the Annual Meeting Minutes. Upon Mr. Eriksen's request, Mr. Baker moved that the minutes be approved as presented. The motion was seconded by Mr. Forbes and the Members in attendance unanimously approved the Minutes of December 19, 2014.

#### **Minutes from Authority Special Meeting on June 16, 2015**

The Members discussed the Minutes of the Special Meeting of the Authority held on June 16, 2015 (the "Special Meeting Minutes"). There was brief discussion regarding the possible impact on municipal bonds of current turmoil in the high-yield markets, for example, the potential for credit defaults. It was reported that in September 2014, Nanticoke Health Services received a Standard & Poor's upgrade from BB- to BBB+. After Member review and discussion, Mr. Eriksen asked if there were any changes to be made to the Special Meeting Minutes. Upon Mr. Eriksen's request, Mr. Forbes moved that the minutes be approved as presented. The motion was seconded by Dr. Palley and the Members in attendance unanimously approved the Minutes of June 16, 2015.

#### **Revenues and Expenses for 2014**

Mr. Quinn presented to the Members summaries of the Authority's actual revenues and expenses for the year 2014. Mr. Quinn also presented a report of Potter Anderson's fees billed for hospital bond transactions and an historical summary of the Authority's recent fee payments for professional services.

The Members approved the report of revenues and expenses. The summaries of the Authority's revenues and expenses for 2014 and Reports of Professional Fees, as presented to the Members, are attached hereto as Exhibit A. Per prior direction of Mr. Eriksen, copies of all Potter Anderson's invoices during 2014 concerning Authority matters are attached to these minutes.

#### **Budget for 2015 and Hospital Allocations**

The Authority's operating budget for 2015 in the amount of \$32,000 was presented by Mr. Quinn to the Members. Mr. Quinn brought to the Members' attention that the proposed budget amount for legal fees for 2015 is \$19,000. Mr. Quinn reminded the Members that Potter Anderson also receives legal fees paid by the hospitals in their bond transactions. Such fees are for legal work that Potter Anderson does in its representation of the Authority in specific bond transactions.

Mr. Quinn also brought to the Members' attention that the proposed budget amount for auditor's fees for 2015 is \$12,000. This is in line with the current understanding with the Authority's auditors, Cover & Rossiter. The Members discussed at length the current auditor's fees and the higher auditing fees paid to the Authority's prior auditors. Mr. Quinn reported that the budget amount for 2015 exceeds the \$6,000.00 paid to Cover & Rossiter during 2014, which was low solely due to the timing of bills being received and paid.

After further discussions, and motion made (Mr. Riddle) and seconded (Mr. Forbes), the Members approved the 2015 budget as presented. The budget as approved is attached hereto as Exhibit B.

Mr. Quinn then reported that the allocation of the 2015 budget among the hospitals is pro rata based on the amount of outstanding bonds issued by the Authority for each hospital as of December 31, 2014. The proposed budget allocation among the hospitals, as presented to the

Members and attached hereto as Exhibit C, was reviewed. After discussion, Mr. Forbes moved that the hospital allocations be approved as presented. Dr. Palley seconded the motion. Mr. Riddle announced that he was abstaining from the consideration of the hospital allocations. The Members present (other than Mr. Riddle) unanimously approved the budget allocation among the hospitals.

### **Election of Officers**

Mr. Eriksen presented the proposed slate of officers. After motion made by Mr. Forbes and seconded by Dr. Palley, the Authority's current officers were re-appointed by unanimous Member approval, as follows:

<u>Office</u>	<u>Officer</u>
Chair	Rolf F. Eriksen
Vice Chair	William G. Neaton
Treasurer	Desmond A. Baker
Secretary	Desmond A. Baker
Ass't Treasurer	William J. Riddle
Ass't Secretary	William J. Riddle

### **Old Business**

No discussion.

### **New Business**

There was brief discussion among the Members regarding the Delaware Health Resources Board web site and whether the Authority should consider setting up its own web site. Mr. Quinn reported that the Authority does not have a web site but does post meeting notices on an electronic calendar on the State's web site. Mr. Quinn explained that he began electronic posting of Authority meeting notices several years ago in furtherance of ensuring that there is public notice of the Authority's meetings, all of which are open to the public; and, later, the posting of meeting minutes (without attachments). Per long-standing practice, meeting notices are also sent to the prothonotary's office in each County, for posting there in advance of meeting dates. Mr. Quinn advised the Members that during his work time with the Authority, members of the general public were in attendance at only one meeting. In that case, these were two law school students who were fulfilling a Delaware bar requirement to be in attendance at a meeting of a State agency.

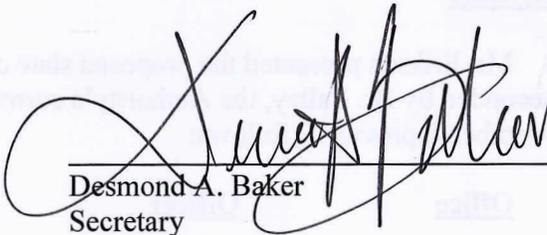
The Members set aside for future consideration whether the Authority should establish its own web site.

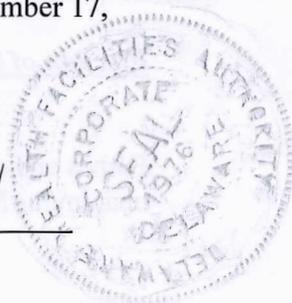
### **Adjournment**

There being no further business, Mr. Eriksen adjourned the meeting at 2:02 p.m.

**CERTIFICATION**

I, Desmond A. Baker, hereby certify that the foregoing is a true and correct copy of the Minutes of Meeting of the Delaware Health Facilities Authority held on December 17, 2015.

  
\_\_\_\_\_  
Desmond A. Baker  
Secretary



5258703